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OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 20755 FILED
JUL 7 '97 1-10PM

Sp. H.
July 7, 1997

RECORDATION NO. 20755 - A FILED

JUL 7 '97 1-10PM

RECEIVED
SURFACE TRANSPORTATION
BOARD

JUL 7 1 05 PM '97

Counterparts -
Mr. Vernon A. Williams
Secretary,
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Lease Agreement, dated as of June 25, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of a Schedule to Master Lease Agreement, also dated as of June 25, 1997, a secondary document related thereto.

The names and addresses of the parties to the enclosed documents are:

Lessor: U.S. Bancorp Leasing & Financial
825 N.E. Multnomah, Suite 800
Portland, Oregon 97232

Lessee: Strata Corporation
P.O. Box 1676
Grand Forks, North Dakota 58206

A description of the railroad equipment covered by the enclosed documents is:

sixty-one (61) hopper cars bearing reporting marks and road numbers
BGSX 122500 through BGSX 122560, inclusive

Mr. Vernon A. Williams
July 7, 1997
Page 2

Also enclosed is a check in the amount of \$48.00 payable to the order of the Surface Transportation Board covering the required recordation fees.

Kindly return stamped copies of each of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', written in a cursive style.

Robert W. Alvord

RWA/bg
Enclosures

SCHEDULE TO MASTER LEASE AGREEMENT

RECORDATION NO. 20755-A

FILED



JUL 7 '97

1:10PM

Schedule Number 11588.001

THIS SCHEDULE made as of **June 25, 1997**, by and between **U.S. BANCORP LEASING & FINANCIAL** ("Lessor"), having its principal place of business at 825 N.E. Multnomah, Suite 800, Portland, Oregon 97232, and **Strata Corporation** ("Lessee"), having its principal place of business located at **P.O. Box 1676, Grand Forks, North Dakota 58206**, to the Master Lease Agreement dated as of **June 25, 1997** between the Lessee and the Lessor (the "Lease"). Capitalized terms used but not defined herein are used with the respective meanings specified in the Lease.

LESSOR AND LESSEE HEREBY COVENANT AND AGREE AS FOLLOWS:

- (a) The following specified equipment (the "Property") is hereby made and constituted Property for all purposes pursuant to the Lease:

Sixty-One (61) 3350 c.f.c. open top hopper railcars with 4 pockets, 100-ton roller bearing trucks, steel bodied, bottom drop, wine doors with spreader bars; Built by Bethlehem Steel Corporation in 1976; See Exhibit "A" attached hereto and made a part hereof for identification numbers

Each of the above units are complete as equipped including, but not limited to, all attachments, accessories and replacements relating thereto.

- (b) The cost of the Property is [REDACTED];

Please Initial Here: 

- (c) This Schedule shall commence on July 1, 1997 and shall continue for Ninety (90) months thereafter.
- (d) Lessee shall owe Ninety (90) basic monthly rental payments in advance each in the amount of [REDACTED] (plus applicable sales/use taxes). The first such payment shall be due on July 1, 1997 and shall continue on the same day of each month thereafter until the end of the term of this Schedule.
- (e) The Property will be installed or stored at the following address: The Property will be kept within the railroad system in the States of North Dakota and Minnesota and Lessee will promptly notify Lessor of any change in the location of the Property; and Lessee will not remove the Property from said location(s) without the prior written consent of Lessor.
- (f) The record owner of the premises at which the Property will be installed or stored is:

1. **LATE CHARGE.** If any installment of Rent shall not be received by Lessor or Lessor's Assignee within ten (10) days after such amount is due, Lessee shall pay to Lessor a late charge equal to five percent (5.0%) of such overdue amount.

2. **TITLE PASSAGE.** a. As long as no event of default has occurred under the Lease, Lessee shall have the options, to purchase all, but not part, of the Property at the end of Eighty-Four (84) months (on July 1, 2004) hereinafter called the "Mid-Term Option Date", and "Mid-Term Option" or at the end of the Term or any renewal thereof (hereinafter called the "End of Term Option Date" and "End of Term Option").

b. The above Options may only be exercised by Lessee by written notice of such exercise to Lessor, which notice must be received by Lessor not later than one hundred eighty (180) days prior to: 1) the Mid-Term Option Date to exercise the Mid-Term Option; or 2) the End of Term Option Date to exercise the End of Term Option. Payment of the purchase price must be received by Lessor on or before the Mid-Term Option Date or the End of Term Option Date as appropriate.

c. The Mid-Term Option purchase price for the Property shall be [REDACTED]. The End of Term purchase price for the Property shall be the fair market value of the Property at the time of such exercise as mutually agreed upon by Lessor and Lessee. If such parties cannot agree thereon after good faith negotiation, the purchase price of the Property shall be the value determined by an appraisal of the Property made by a reputable independent equipment appraiser certified for the type of Property being appraised. The appraiser shall be selected by Lessor and the cost of the appraisal shall be paid by Lessee.

d. The Mid-Term Option purchase price shall only be applicable in the event that the Mid-Term Option is exercised in accordance with its Terms. Such purchase price shall not be deemed to be equal to the "anticipated residual value" as such phrase is used in the Lease.

e. Upon receipt of payment of the purchase price together with any and all applicable sales or other taxes due in connection therewith, and any and all remaining sums or other amounts payable under this Schedule, Lessor shall transfer all its right, title and interest in and to the Property to Lessee. The Property shall be transferred "As Is" and "Where Is" without any express or implied representations or warranties.

f. Should Lessee fail to either return the Property in accordance with the Lease or exercise the End of Term Option in accordance with its terms, then Lessor, at its sole option, shall have the right to: a) declare the End of Term Option terminated and demand immediate return of the Property; or, b) extend the Term for an additional six (6) months (the "Extended Term"). Should Lessor elect to extend the Term, Lessee shall be irrevocably obligated to remit basic monthly rent for the period beginning on the day immediately succeeding the last day of the original Term (the "Holdover Date") and ending at the end of the sixth (6) month thereafter. A payment of such rent being due on the Holdover Date and on the same day of each consecutive month thereafter. Each payment of such rent shall be in the amount of the basic monthly rent for the last month of the Term in accordance with the provisions of this Schedule. All Lessee's other obligations under the Lease shall remain in full force and effect for so long as Lessee shall continue to possess the Property. Upon the expiration of each Extended Term, Lessor, at its sole option, shall have the right to: a) permit Lessee to exercise the End of Term Option in accordance with its Terms; b) declare the End of Term Option terminated and demand immediate return of the Property; or, c) extend the Term for an additional six (6) month Extended Term. Any and all rental payments pursuant to this Paragraph shall be deemed for all intents and purposes to be payments for possession and use of the Property after the expiration of the Term, and shall not be credited to any other obligation of Lessee to Lessor. Lessor's invoicing and/or accepting any such payment shall not give rise to any right, title or interest of Lessee other than to possession and use of the Property during the period to which such rent applies in accordance with this Paragraph. The aforesaid right to charge Lessee rent for possession and use of the Property is not in limitation or derogation of any of Lessor's rights pursuant to the Lease.

3. MAINTENANCE, USE, AND RETURN PROVISIONS. The Lessee, at its own expense and risk shall throughout the Lease Term maintain, and repair so as to keep the Railcars in good operating condition under Interchange Rules, as defined by the Association of American Railroads (AAR); ordinary wear and tear excepted, and in accordance with maintenance standards at least equal to the industry standards of maintenance for similar railcars operating on the lines of Class I Railroads and in the manner and in the same condition as Lessee would, in the prudent management of its own business, maintain and repair similar equipment owned by it at such time (or operated by the Lessee at such time under net leases with an original term of 15 years or less) so that such Railcars will remaining (i) in as good operating condition for the commodities carried as when originally delivered (ordinary wear and tear excepted), (ii) mechanically suitable for interchange generally by the Lessee and (iv) eligible under all manufacturer's warranties. The Lessee agrees that it will not discriminate against any Railcar (as compared to other similar Railcars owned or operated by the Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of this Lease. Interchange condition to include the replacement of missing materials and the correction of wrong repairs and items listed in the Interchange Rules as cause for renewal and cause for attention; free of Rule 95 damage; suitable for loading of the commodities allowed in the applicable Schedule; and free from all accumulations or deposits from commodities transported in or on it while in the service of Lessee. Any item that is damaged or worn beyond what is considered to be normal by the original component manufacturer shall be deemed to have been damaged beyond normal wear and tear and shall be replaced at the Lessee's expense.

Lessee shall return all records including the then current AAR UMLER format for hard copy records. Lessee shall continue to allow the Cars to be registered in UMLER until the Cars are remarked.

Maintenance means all repairs, maintenance, replacement of parts and mandated modifications as are needed to keep any Car in good working order and repair, suitable for loading and Interchange and in accordance with Interchange Rules, and the rules of any other applicable regulatory body.

Interchange Rules means collectively the Field Manual of the AAR Interchange Rules and the Office Manual of the AAR

Interchange Rules. References herein to the Interchange Rules provide performance standards and criteria for the condition of the Cars and their maintenance and repair.

One hundred eighty (180) days prior to lease expiration, Lessee shall provide written notification of intent to return the Cars, and demonstrate that the Cars can perform at its performance specifications according to the original manufacturer. An independent certified technician chosen by Lessor shall demonstrate the performance of the Cars and the physical condition as defined herein. If it is determined that improvements under the manufacturer's performance standards are needed, Lessee shall cause such improvements to be made prior to the return of the Cars. Lessee shall provide, at Lessor's request, up to one hundred eighty (180) days free storage of the equipment at the location Lessor designates.

4. **DEPRECIATION.** Lessor will be entitled to modified accelerated cost recovery depreciation based on 100% of Property Cost using the 200% declining balance method, switching to straight line, for seven (7) year Property, and zero salvage value.

IN WITNESS WHEREOF, the Lessor and the Lessee have each caused this Schedule to be duly executed as of the day and year first above written.

Strata Corporation
(LESSEE)

By: [Signature]
James R. Bradshaw

U.S. Bancorp Leasing & Financial
(LESSOR)

By: [Signature] Vice President
An Authorized Officer Thereof

(All signatures must be notarized in the appropriate space below)
CORPORATE ACKNOWLEDGMENT

STATE OF North Dakota
County of Grand Forks

June 28, 1997

Personally appeared James R. Bradshaw, and
who, being sworn, stated
that he/she, the said President is a
Officer, and he/she, the said
is a
of corporation and acknowledged
that this Document was voluntarily signed in behalf of
the corporation by Authority of its Board Directors.

Before me:

Michele Leddige
Notary Public for the State of North Dakota

My commission expires: MICHELE LEDDIGE
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires NOV. 17, 1999

CORPORATE ACKNOWLEDGEMENT

STATE OF OREGON
County of Multnomah

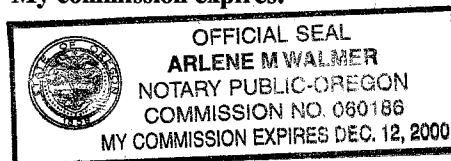
7-3, 1997

Personally appeared Glenn Trump and
who, being sworn, stated
that he/she, the said VP is a
VP, and he/she, the said
is a
of corporation and acknowledged
that this Document was voluntarily signed in behalf of
the corporation by Authority of its Board Directors.

Before me:

Arlene M Walmer
Notary Public for the State of

My commission expires: 12/12/2000

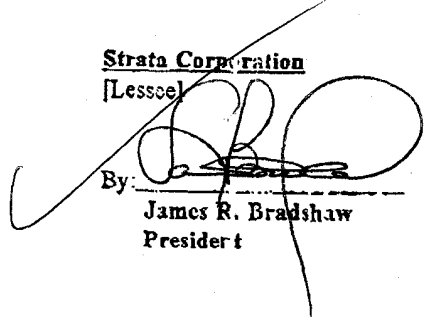



 STRATA ⁶¹(~~65~~) GON PURCHASE
Note/Schedule Number 11538.031

	OLD INITIAL	OLD NUMBER	PRIOR INITIAL	PRIOR NUMBER	NEW INITIAL	NEW NUMBER
1	WC	57295	AKMX	18006	BGSX	122500
2	WC	57623	AKMX	18035	BGSX	122501
3	WC	57744	AKMX	18044	BGSX	122502
4	WC	342841	AKMX	18050	BGSX	122503
5	WC	342842	AKMX	18051	BGSX	122504
6	WC	342881	AKMX	18057	BGSX	122505
7	WC	342891	AKMX	18063	BGSX	122506
8	WC	342938	AKMX	18090	BGSX	122507
9	WC	342953	AKMX	18102	BGSX	122508
10	WC	342972	AKMX	18117	BGSX	122509
11	WC	343010	AKMX	18141	BGSX	122510
12	WC	343016	AKMX	18144	BGSX	122511
13	WC	343026	AKMX	18150	BGSX	122512
14	WC	343027	AKMX	18151	BGSX	122513
15	WC	343031	AKMX	18154	BGSX	122514
16	WC	343033	AKMX	18156	BGSX	122515
17	WC	343034	AKMX	18157	BGSX	122516
18	WC	343036	AKMX	18158	BGSX	122517
19	WC	343038	AKMX	18160	BGSX	122518
20	WC	343040	AKMX	18162	BGSX	122519
21	WC	343045	AKMX	18166	BGSX	122520
22	WC	343066	AKMX	18180	BGSX	122521
23	WC	343082	AKMX	18189	BGSX	122522
24	WC	343105	HLMX	18204	BGSX	122523
25	WC	343108	HLMX	18206	BGSX	122524
26	WC	343112	HLMX	18209	BGSX	122525
27	WC	343131	HLMX	18222	BGSX	122526
28	WC	343164	HLMX	18247	BGSX	122527
29	WC	343183	HLMX	18259	BGSX	122528
30	WC	343200	HLMX	18268	BGSX	122529
31	WC	343216	HLMX	18281	BGSX	122530
32	WC	343225	HLMX	18285	BGSX	122531
33	WC	343246	HLMX	18295	BGSX	122532
34	WC	343247	HLMX	18296	BGSX	122533
35	WC	343266	HLMX	18310	BGSX	122534
36	WC	343278	HLMX	18317	BGSX	122535
37	WC	343287	HLMX	18322	BGSX	122536
38	WC	343299	HLMX	18328	BGSX	122537
39	WC	343307	HLMX	18334	BGSX	122538
40	WC	343312	HLMX	18337	BGSX	122539
41	WC	343317	HLMX	18339	BGSX	122540
42	WC	343335	HLMX	18350	BGSX	122541
43	WC	343355	HLMX	18359	BGSX	122542
44	WC	343359	HLMX	18362	BGSX	122543
45	WC	343368	HLMX	18370	BGSX	122544
46	WC	343379	HLMX	18377	BGSX	122545

	OLD INITIAL	OLD NUMBER	PRIOR INITIAL	PRIOR NUMBER	NEW INITIAL	NEW NUMBER
47	WC	343394	HLMX	18388	BGSX	122546
48	WC	343397	HLMX	18389	BGSX	122547
49	WC	343410	HLMX	18398	BGSX	122548
50	WC	343417	HLMX	18403	BGSX	122549
51	WC	343422	HLMX	18407	BGSX	122550
52	WC	343430	HLMX	18412	BGSX	122551
53	WC	343440	HLMX	18417	BGSX	122552
54	WC	343452	HLMX	18425	BGSX	122553
55	WC	343461	HLMX	18430	BGSX	122554
56	WC	343463	HLMX	18432	BGSX	122555
57	WC	343464	HLMX	18433	BGSX	122556
58	WC	343465	HLMX	18434	BGSX	122557
59	WC	343468	HLMX	18436	BGSX	122558
60	WC	343477	HLMX	18445	BGSX	122559
61	WC	343488	HLMX	18450	BGSX	122560

Strata Corporation
[Lessee]

By: 
James R. Bradshaw
President

0260-294

ADDRESS FOR ALL NOTICES:
825 N.E. Multnomah, Suite 800
Portland, OR 97232